

1 comments?

2 MR. JACKSON: Yeah, and maybe in the nature of some
3 questions and discussion with -- I guess primarily with Mr.
4 Elfers. And Mr. Hitz might want to help me too, because I'm
5 a lawyer trying to talk to all the engineers, so I'll probably
6 get lost (laughter).

7 But -- and let me preface by saying, I mean, we certainly
8 understand that your plans aren't final and that you probably
9 have not had an opportunity to study the system and the rates
10 and anything else nearly as much as you're going to in the next
11 year. So I'm not trying to point out things that you may not
12 understand for the sake of doing that. But have you had a
13 chance to look at the wholesale tariff situation yet? Have you
14 become familiar with the way the wholesale tariff works?

15 MR. ELFERS: Well, I'm personally not familiar with the
16 specifics of the wholesale tariff. But from my perspective as
17 the engineer, trying to talk to a lawyer and not the rate
18 people either, it doesn't seem particularly relevant, because
19 we understand that that tariff will remain intact, in force and
20 effect, regardless of what we do with respect to the network,
21 unless we come back with a proceeding before the APUC to do
22 something with that tariff. So that is our understanding and
23 expectation.

24 MR. JACKSON: Well, tell me if you think this will make
25 it relevant. Now, let's say we have a call -- GCI has a call

1 from a customer in Anchorage and that customer calls Skagway.
2 If we hand that -- under the present tariff, if we hand that
3 call to you, to Alascom in Anchorage, we pay to have it carried
4 from Anchorage to Juneau, and then we pay separately to have
5 it carried from Juneau to Skagway.

6 **MR. ELFERS:** Right.

7 **MR. JACKSON:** If you eliminate the switch in Juneau -- but
8 I recognize that you -- well, let me step back. Because that's
9 the way it worked, normally we try to carry a call to Juneau
10 ourselves and then we hand it to you in Juneau rather than
11 handing it to you in Anchorage, because then we -- so then we
12 pay only from Juneau to Skagway rather than paying for two
13 pieces.

14 **MR. ELFERS:** Right.

15 **MR. JACKSON:** If you eliminate the switch in Juneau, you
16 can certainly maintain a point and presence in Juneau and still
17 accept a call there. But then what would happen is, we would
18 haul it to Juneau, we'd hand it to you in Juneau, you'd haul
19 it back to Anchorage, and then you'd haul it to Skagway, which
20 from an engineering point of view doesn't make a whole lot of
21 sense, but we still do that to save money.

22 **MR. ELFERS:** Right.

23 **MR. JACKSON:** So do you see -- is there -- isn't there
24 some reason to not do what I said, is to have it hauled back
25 and forth between Anchorage and Juneau twice?

1 **MR. ELFERS:** Frankly, I mean, that's in -- under
2 consideration with respect to what to do with respect to
3 switching. But on the face of it, no. I mean, it's an
4 economic decision with respect to what is the best way for us
5 to accommodate that traffic. And I think your essential point,
6 if I understand your concern, is that that would not impact
7 GCI. We would accept traffic at the same locations and you
8 would pay for that traffic based on those same locations, those
9 points of presence.

10 The general rule, as I understand it, is the point of
11 presence is what is at issue with respect to the tariffs. And
12 the way in which we provide that point of tariff is left to
13 each of the companies to provide as our engineering forces see
14 fit.

15 **UNIDENTIFIED MALE SPEAKER:** As well, can you ensure that
16 there's no degradation of service going back and forth? I
17 think that would be another concern that we would have in
18 looping this thing around a couple times, and that --

19 **MR. ELFERS:** Clearly, we are committed to not degrading
20 service, to maintaining at least the service that is
21 experienced in Alaska from AT&T-Alascom today. And certainly
22 our intention as the quality provider of telecommunications in
23 the United States, in our opinion and the opinion of many
24 customers, to make that service only better. So if in fact our
25 studies indicated that we would degrade service, then we would

1 not pursue that alternative.

2 MR. JACKSON: You've probably looked at the system enough
3 to know that the transmission capacity -- that the amount of
4 transmission capacity in and out of Juneau is somewhat
5 constrained, and there --

6 MR. ELFERS: Yes, they are.

7 MR. JACKSON: -- it is certainly something that's got to
8 be considered in any rearrangement, and it's got to be
9 considered by us as well as you.

10 MR. ELFERS: I can assure you that it is.

11 MR. JACKSON: So -- and -- but you'd also agree that what
12 you do is going to significantly affect what we do in terms of
13 planning for that?

14 MR. ELFERS: Well, again, it would be our
15 responsibility -- we accept that responsibility to account for
16 the additional transmission capacity that would be required by
17 a switch consolidation. That should not impact your wholesale
18 rates or the points of presence where we would accept traffic
19 from GCI. Having said that, we have already acknowledged that
20 we look forward to working cooperatively with respect to
21 network planning.

22 MR. JACKSON: And you think we need to do that with each
23 other?

24 MR. ELFERS: And we do need to do that, certainly.
25 Certainly. That's business as normal.

1 **MR. De FRANCISCO:** I think that's a point too that I want
2 to emphasize, because we are competitors. But in the case
3 where we're carrying your traffic, we've got a customer and
4 supplier relationship. And we've -- we are very accustomed to
5 working in different roles. And I think we need to operate in
6 that role when we -- when we're carrying traffic for you. And
7 that's why we do commit to work with you to plan out what the
8 best way to do things are, and make sure that things at least
9 stay the way they are, and hopefully we can make it better.
10 Because we -- there -- there's nothing in this for us if we say
11 we're going to degrade service to you and to your customers.
12 That's not -- clearly not in the best interest of Alaska.

13 **MR. JACKSON:** Thank you.

14 **CHAIRMAN SCHRÖER:** Thank you. Comment or questions?

15 **MR. SCHROEDER:** I think one comment and one question, Mr.
16 Chairman, if I may.

17 **CHAIRMAN SCHRÖER:** Go ahead.

18 **MR. SCHROEDER:** Thank you, Mr. Chairman. One is that
19 the -- there is no question about AT&T's fitness. That's
20 impossible to question. No one questions AT&T's fitness alone
21 to provide telecommunication services in Alaska; although I
22 would say that the Alaska market is so unique that there is a
23 need to rely on the Alascom, Inc. personnel to help them
24 through the course of that transition. This is not New York
25 or Kansas City or somewhere else. But there's no question

094-113
ORIGINAL

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A.P.U.C.

95 MAR 22 PM 3:46
March 16, 1996



Lorraine Kenyon
Alaska Public Utilities Commission
500 L Street, Suite 400
Anchorage, AK 99501

Re: ~~U-93-113~~, "Conditions"

Dear Lorraine:

The condition that GCI believes should be included in the Order granting the pending application of AT&T is as follows:

In view of the interconnection of the networks of Alascom and GCI and the significant restructuring of the networks of both Alascom and GCI that will be required in the event that Alascom eliminates switches in Juneau and Fairbanks, Alascom shall provide GCI with ongoing current information on restructuring plans; Alascom shall coordinate network planning and interconnection with GCI; and Alascom shall not, without prior Commission approval, restructure its network in any way that degrades the quality, reduces the level, or increases the price of services to GCI. The Commission retains jurisdiction over this matter to resolve any disputes that arise.

In addition to the foregoing condition, GCI believes the Order should state that granting the application does not provide AT&T any authority to provide intrastate interexchange service except through Alascom and does not grant authority for Alascom to use the AT&T name in conjunction with Alascom's provision of service. This is simply an accurate statement of the authority requested in the pending application and the authority AT&T has stated it is seeking.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. R. Jackson".

James R. Jackson
Regulatory Attorney

cc: Ted Wellman
Andy Hoge

ORIGINAL

RECEIVED
A.P.U.C.

15 MAR 28 AM 9:03

DAVIS WRIGHT TREMAINE

LAW OFFICES

SUITE 1450 • 550 WEST 7TH AVENUE • ANCHORAGE, ALASKA 99501
(907) 257-5300

TED WELLMAN
(907) 257-5326

March 28, 1995

Alaska Public Utilities Commission
1016 W. 6th Avenue, Suite 400
Anchorage, Alaska 99501

Re: Docket No. U-94-113
Our File No. 19977-107

Dear Commissioners:

This responds to the March 16, 1995 letter submitted by James R. Jackson on behalf of General Communication, Inc. ("GCI") to Lorraine Kenyon, which suggests that specific conditions be imposed on the Order granting AT&T's application to acquire Alascom ("Application"). AT&T and AT&T/Alascom do not believe that the suggested conditions are necessary, and we vehemently oppose any condition that would bar AT&T/Alascom from using the AT&T brand name.

As we stated at the March 15, 1995 meeting, when AT&T/Alascom consolidates switching functions in Anchorage, as contemplated in the Stock Purchase Agreement, it expects to provide GCI with pertinent information and coordination so that GCI can maintain the same type of interconnections it currently has with Alascom in Juneau and Fairbanks.¹ This type of carrier-to-carrier cooperation is routine when network rearrangements occur, and we do not believe that it is necessary to include such matters in the Order approving AT&T's application.

AT&T/Alascom also has no intention of degrading service quality or reducing the level of services currently provided to GCI in connection with the planned consolidation. Such actions would be inconsistent with AT&T/Alascom's commitment to maintain or

¹ All such information would, of course, be subject to appropriate non-disclosure agreements.

Alaska Public Utilities Commission

March 28, 1995

Page 2

increase service levels for all its Alaska customers, including other carriers. Similarly, AT&T/Alascom would not expect to increase its prices to GCI for the exact same tariffed services Alascom provides to GCI without a tariff filing. Nor could AT&T/Alascom increase the price of services Alascom provides under contract without negotiating such changes with GCI. Therefore, it does not appear that any specific conditions are necessary in the Order to cover these matters.

If, however, the Commission believes that specific conditions are appropriate, we propose the language in the attachment to this letter. We believe this language more closely incorporates the positions we took at the March 15, 1995 meeting and fairly protects GCI's interests. In particular, our proposed language clarifies that the only purposes of the conditions are to assure that GCI will receive necessary information and coordination in connection with the switching consolidation and that it will receive the same price and service levels that apply to the exact service capabilities it obtains from Alascom today. They do not apply, however, to network enhancements or improvements that may also be accomplished as part of the consolidation.

We agree with GCI that the instant Application does not seek authority for AT&T Communications to provide intrastate services in Alaska. This fact, however, is self-evident from the Application itself, and does not merit a specific condition in the Order approving the acquisition.

Finally, we vigorously oppose any attempt to prohibit AT&T/Alascom from using the AT&T brand name in Alaska. AT&T is investing hundreds of millions of dollars to acquire Alascom, and the acquired entity will be required to fulfill the obligations of both AT&T and Alascom under the FCC's Order restructuring the Alaska interstate telecommunications marketplace. Moreover, denying AT&T/Alascom the opportunity to use the highly valued AT&T trade name would be inconsistent with the well-established practice of giving businesses strong incentives to build and maintain their reputations for providing quality service. In all events, AT&T/Alascom will be under strict non-discrimination obligations that will preclude it from favoring its sister companies. Thus, it is completely appropriate for AT&T/Alascom to use the AT&T brand name, and there is no basis to prohibit Alascom from adopting a trade name that includes the AT&T brand. If, however, AT&T/Alascom formally sought to change its legal name (and thus the name on its

Alaska Public Utilities Commission
March 28, 1995
Page 3

APUC certificate), appropriate approvals would be sought from the Commission.

Please contact me if you have any questions.

Very truly yours,

DAVIS WRIGHT TREMAINE

A handwritten signature in dark ink, appearing to read 'Ted Wellman', written over the typed name.

Ted Wellman

TW/kg
Enclosure
cc: James R. Jackson
\19977\107\APUC4.LET

Alaska Public Utilities Commission
March 28, 1995
Page 4

PROPOSED CONDITION

In view of the historical interconnection of the networks of Alascom and GCI, if AT&T/Alascom, prior to May, 1996, consolidates in Anchorage the switching functions now performed in Juneau and Fairbanks pursuant to arrangements negotiated in the Stock Purchase Agreement ("switching consolidation"), AT&T/Alascom shall provide GCI with information about its switching consolidation plans sufficient to enable GCI to maintain interconnections of the same type of it currently has with Alascom. All such information shall be provided and received subject to appropriate non-disclosure agreements. AT&T/Alascom shall also coordinate with GCI regarding revised network interconnection requirements, if any, that may be necessary because of the switching consolidation. In addition, AT&T/Alascom shall not degrade the quality, reduce the levels of functionality or increase the price of switching services currently provided by Alascom to GCI from the interconnections points in Juneau and Fairbanks. This obligation relates solely and exclusively to conditions that are the direct result of the switching consolidation, and it shall not be construed to apply to any network enhancements or improvements that may occur in connection with such consolidation. The Commission retains jurisdiction over this matter to resolve any disputes which may arise.

D ORIGINAL

STATE OF ALASKATHE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Don Schröer, Chairman
 James E. Carter, Sr.
 Alyce A. Hanley
 Dwight D. Ornquist

In the Matter of the Limited Investi-)
 gation Into the Practices and Pro-)
 cedures of ALASCOM, INC., and Com-)
 panes of PACIFIC TELECOM, INC., in)
 Alaska)

U-95-26

ORDER NO. 2

ORDER ADDRESSING ISSUES, IDENTIFYING
REPORTING REQUIREMENTS, AND REQUIRING FILINGS

BY THE COMMISSION:

Introduction

In Docket U-94-113 the Commission approved the application of AT&T Corp. (AT&T) to obtain a controlling interest in ALASCOM, INC. (Alascom), through purchase of stock from Pacific Telecom, Inc. (PTI). By Order U-94-113(3)/U-95-26(1), dated June 13, 1995, the Commission transferred various issues raised in Docket U-94-113 to this proceeding for resolution. Those issues pertain primarily to Alascom's quality and availability of service, Alascom's interconnection practices, disposition of PTI switches, and PTI compliance monitoring reports.

Alaska Public Utilities Commission
 1016 West Sixth Avenue, Suite 400
 Anchorage, Alaska 99501
 (907) 276-6222; TTY (907) 276-4533

1 **Quality and Availability of Service**

2 In Docket U-94-113, the Commission accepted AT&T's
3 commitment to maintain or improve Alascom's service quality and
4 efficiency in Alaska. The Commission expects that AT&T will
5 uphold its commitment and will cooperate with the Commission to
6 ensure that services required by Alaskans are provided in an
7 efficient and responsive manner. However, AT&T has not identified
8 how it would meet this obligation.

9 AT&T stated that it did not know the scope or timing of
10 future investments and other changes that it might implement in
11 Alascom's management, personnel, and equipment once AT&T obtained
12 a controlling interest in Alascom.¹ AT&T asserted that it was
13 difficult to identify what facilities upgrades would be made until
14 it had an opportunity to evaluate market conditions and the
15 alternatives available for providing service.² AT&T indicated
16 that it desired to avoid significant capital investments in Alaska
17 that would miss the market or fail to meet future service needs.³

18 AT&T has also indicated that it did not know what
19 services, beyond those currently provided, would be made available
20 in Alaska in the future but that its decision in this area would
21 to some degree be market driven:
22

23 ¹Docket U-94-113, AT&T Application, p. 4.

24 ²Docket U-94-113, Comments of De Francisco, AT&T, Informal
25 Conference of March 15, 1995, Tr. 88. Also further transcript
26 references in this Order are to that Informal Conference.

³Tr. 82 and 93.

1 COMMISSIONER COOK: So in essence, what you're saying
2 is, you're only willing to commit to the existing level
of service?

3 De FRANCISCO [AT&T]: At this point in time until we
4 know more, I think that's all we can commit to. Because
5 we don't yet understand what the options are. And again,
6 if we can improve service, which we believe we can, and
7 there is a demonstrated willingness or a market demand on
the part of people in that location for additional
services, you know, we would certainly look at -- and
providing those services.⁴

8 The Commission agrees that AT&T must take into consideration
9 market forces when making its decisions regarding Alascom. At the
10 same time, however, AT&T has inherited through Alascom an
11 obligation to provide universal and critical services as the
12 carrier of last resort. 3 AAC 52.390(c). The Commission notes
13 that AT&T has had few past experiences with this Commission or
14 with provision of Alaska intrastate services and, therefore, that
15 AT&T may be unfamiliar with the expectations on Alascom's
16 provision of service. Furthermore, given the lack of an Alascom
17 capital plan, some uncertainty exists regarding how AT&T will
18 implement its perceived service obligation.

19 The Commission also has observed that AT&T is somewhat
20 ambiguous as to whether data communications (including services
21 provided to customers without specialized terminal equipment) were
22 viewed as a part of Alascom's carrier of last resort responsibilities:
23

24 De FRANCISCO: AT&T's view of basic service would be
25 basic dial tone service and access to long-distance
26

⁴Tr. 89.

1 service, repair service, 911 where it exists, and
2 directory assistance.⁵

3 COMMISSIONER ORNQUIST: And would that dial tone --
4 we were just discussing baud rates and things -- would
5 that be a data communications capable dial tone, or just
6 dial tone?

7 De FRANCISCO: It would be dial tone, but the
8 question is -- I might have to refer to Terry on this
9 whether -- I don't know whether -- I don't think basic
10 dial tone supports 300 baud.

11 ELFERS: It depends, of course, where you are.
12 Basically, dial tone can support 300 baud, twelve hundred
13 baud, twenty-four baud, 9.6 if you're lucky and you have
14 the right terminal equipment. So it's -- but that is a
15 function of the technology you're using to take advantage
16 of the dial tone. It's not the other way around. In
17 other words, that's service that works if your equipment
18 will enable it to work.⁶

19 AT&T in its comments also acknowledged that certain members of the
20 public in Alaska had reported difficulties with data transmissions
21 via low-speed modem.⁷

22 Given all of the above, the Commission believes that AT&T
23 and Alascom should be required to file various reports with the
24 Commission to ensure that the various transitions occurring in

25 ⁵De Francisco stated that he viewed "basic service" the same
26 as "universal service". Tr. 101.

⁶Tr. 91.

⁷Tr. 80. The speed of the modems involved was 300 and 1200
baud.

1 Alascom at this time do not affect service quality and availabil-
2 ity.⁸ In specific, Alascom, as the legal entity providing
3 service, will be required to file various outage and quality of
4 service reports and its capital plan with the Commission. AT&T
5 as the entity both controlling Alascom and investigating future
6 changes to Alascom will be required to provide status reports on
7 its planning efforts. The various required reports are summarized
8 below:

9 1. Outage Reports: Alascom is reminded that it is
10 required to file service reports as identified under 3 AAC
11 52.320.

12 2. Monthly Quality of Service Status Reports:
13 Beginning September 1, 1995, Alascom shall file monthly
14 quality of service reports on its facilities monopoly
15 tributary routes (e.g., Bush routes). Each report must
16 provide information on the tributary grade of service
17 goal, the number of trunks available, and the number of
18 trunks needed to meet the service goal. Monthly reports
19
20
21
22
23
24

25 ⁸This Order should not be viewed as reducing or limiting any
26 of Alascom's current reporting requirements under regulation or
statute.

1 should be filed until Alascom provides the Commission with
2 a capital plan or completes its switch rearrangement,
3 whichever is later.

4 3. Quarterly Status Reports: Beginning July 1,
5 1995, AT&T shall file quarterly reports on the status of
6 both the Task Force investigation into the Alascom capital
7 plan and the Bell Labs investigation into Alascom's future
8 facilities requirements.⁹

9 4. Capital Plan: By January 1, 1996, and sooner if
10 possible, Alascom shall file a detailed capital plan with
11 the Commission (See 3 AAC 52.330). Alascom must include
12 in its capital plan a description of its expected future
13 and its current data transmission capabilities (including
14 any limitations on baud rate) assuming transmission occurs
15 over the switched network using an average quality generic
16 modem. A similar report should also be filed assuming
17 that the customer employs specialized or "state-of-the-
18 art" terminal equipment. Alascom should also identify its
19 long-range plans regarding provision of data services,
20 including the extent to which Alascom is or will be
21 capable of providing at a location, data services that are
22 comparable to those provided by the local exchange
23 carrier. All of the above information must be included
24 in the annual capital plan filing on an ongoing basis.

25
26 ⁹Tr. 76, 81, and 83.

1 5. Trouble Reports: Alascom must inform the
2 Commission of any network changes that would likely result
3 in a material reduction in quality, functionality, or
4 availability of service or in increased rates. Notifica-
5 tion must occur prior to implementation of the change, if
6 possible. The Commission's overall expectations on this
7 matter remain that AT&T through Alascom meet the needs of
8 the public, not degrade or reduce quality and availability
9 of services in Alaska and, to the extent technologically
10 and economically feasible, provide services that are
11 comparable or better in quality and availability than
12 AT&T's intrastate operations in other states.

13 The Commission does not anticipate or intend that either
14 Alascom or AT&T incur excessive costs in the production of these
15 reports. To that end, the Commission will be receptive to
16 requests to file variations on the above reports provided that the
17 data filed is comparable to the information sought and the
18 variations will reduce costs and effort in filing.

19
20 **Interconnection**

21 Various interconnection issues raised in Docket U-94-113
22 were deferred to this proceeding for resolution. In specific,
23 General Communication, Inc. (GCI), was concerned that AT&T's
24 future plan to reconfigure the existing switching equipment of
25 Alascom could affect the quality and pricing of GCI's current
26 interconnection arrangements with Alascom. GCI requested that:

1 in the event that Alascom eliminates switches in Juneau
2 and Fairbanks, Alascom shall provide GCI with ongoing
3 current information on restructuring plans; Alascom shall
4 coordinate network planning and interconnection with GCI;
5 and Alascom shall not, without prior Commission approval,
restructure its network in any way that degrades the
quality, reduces the level, or increases the price of
services to GCI. The Commission retains jurisdiction over
this matter to resolve any disputes that arise.¹⁰

6 AT&T stated that GCI's conditions were not necessary as Alascom
7 expected to provide GCI with pertinent information and coordina-
8 tion so that GCI could maintain the same type of connection that
9 it currently has with Alascom in Juneau and Fairbanks, after the
10 network changes.¹¹ AT&T further asserted that Alascom had no
11 intentions of degrading service quality or reducing levels of
12 service currently provided to GCI in connection with its planned
13 consolidation.

14 AT&T provided an alternative set of conditions that it
15 claimed would protect GCI's interests "to assure that GCI will
16 receive necessary information and coordination in connection with
17 the switching consolidation and that it will receive the same
18 price and switching levels that apply to the exact service
19 capabilities it obtains from Alascom today."¹² Revised network
20 interconnection requirements, if any, associated with the switch
21 consolidation would also be coordinated with GCI. AT&T stated
22 that it would provide the information to GCI subject to
23

24 ¹⁰Docket U-94-113, letter of March 16, 1995, from GCI.

25 ¹¹Docket U-94-113, letter of March 28, 1995, from AT&T, p. 1.

26 ¹²Letter of March 28, 1995, from A&T&T, p. 2.

1 non-disclosure agreements. AT&T's proposed obligation would
2 relate "solely and exclusively to conditions that are the direct
3 result of the switching consolidation" and would not apply to
4 other network enhancements or improvements that may occur.¹³
5 AT&T's conditions also included a statement that the Commission
6 retained jurisdiction to resolve disputes.

7 The Commission has reviewed this matter and finds that
8 AT&T has voluntarily agreed to address the concerns raised by GCI.
9 As a result the Commission finds that detailed and complex
10 conditions compelling cooperation between AT&T and GCI are not
11 necessary at this time. The Commission notes, however, that GCI
12 is not the only carrier in Alaska that may be affected by changes
13 in the Alascom network. Furthermore, service problems and inter-
14 carrier disputes are more likely to arise if the future Alascom
15 network changes are not fully coordinated between all affected
16 carriers or if all necessary information is not made available.
17 As a result the Commission directs Alascom to provide all
18 certificated intrastate interexchange carriers and local exchange
19 carriers with reasonable and generous advance notice of any
20 network changes that may materially affect interconnection or
21 provision of service.

22 By July 15, 1995, Alascom and GCI shall file a joint
23 report estimating the amount of advance notice that should be
24 provided given a significant Alascom network change. All
25

26 ¹³Letter of March 28, 1995, from AT&T, p. 4.

1 intrastate carriers are also expected to fully cooperate with one
2 another in order to ensure that network changes do not adversely
3 affect services provided to the public. All certificated
4 interexchange carriers and local exchange carriers are to
5 immediately inform the Commission of any significant interconnec-
6 tion or provision-of-service problems that may arise in connection
7 with major network changes at Alascom.

8 Alascom Switches

9 Under Section 4.15 of the Stock Purchase Agreement
10 Alascom shall transfer to PTI or its designee all right, title,
11 and interest in two Northern Telecom DMS 200/100 switches located
12 at Juneau/Lena Point and Fairbanks. As the deployment of these
13 switches has the potential to effect both costs and services, the
14 Commission directs PTI to file by July 1, 1995, information on the
15 planned final disposition of the switches.

17 PTI Monitoring Reports

18 As a result of the PTI acquisition of former Glacier
19 State Telephone Company and Juneau Douglas Telephone Company and
20 the Alascom acquisition of MultiVisions, Ltd. (MVL), PTI was
21 required to regularly file compliance monitoring reports with the
22 Commission. The primary purpose of these reports was to address
23 concerns of potential anti-competitive behavior of PTI companies
24 in Alaska due to their growth in size and possible increased
25 incentives and capacity to discriminate against Alascom
26

1 competitors and to cross-subsidize the competitive operations.¹⁴
2 The Commission finds that once PTI no longer controls Alascom,¹⁵
3 PTI's holdings in Alaska will be significantly reduced and there
4 will no longer be an issue of whether PTI will take anti-
5 competitive actions to the advantage of Alascom. As a conse-
6 quence, once PTI no longer controls Alascom, the Commission
7 believes that there will no longer be a need for PTI to file
8 compliance monitoring reports and, therefore, that PTI should
9 discontinue filing the reports at that time.

10
11 ORDER

12 THE COMMISSION FURTHER ORDERS:

13 1. Beginning September 1, 1995, Alascom, Inc., shall
14 file monthly quality of service status reports on its facilities
15 monopoly tributary routes as further identified in this Order.

16 2. Beginning July 1, 1995, AT&T Corp., shall file
17 quarterly reports on the status of both the Task Force and the
18 Bell Labs investigations related to Alascom, Inc.

19 3. By 4 p.m., January 1, 1996, and sooner if possible,
20 Alascom, Inc., shall file a detailed capital plan, with additional
21 information on data transmission capabilities, as further
22 identified in this Order.

23
24 ¹⁴Order U-83-55(15)/U-83-76(16), pp. 22 and 26.

25 ¹⁵MVL was sold by PTI/Alascom to Sonic Cable Television of
26 Alaska, Inc., in 1986 and subsequently purchased in 1989 by Prime
Cable of Alaska, L.P.

1 4. Alascom, Inc., shall provide all certificated
2 intrastate carriers and local exchange carriers with reasonable
3 and generous advance notice of any changes in network configu-
4 ration that may materially affect interconnection or provision of
5 service.

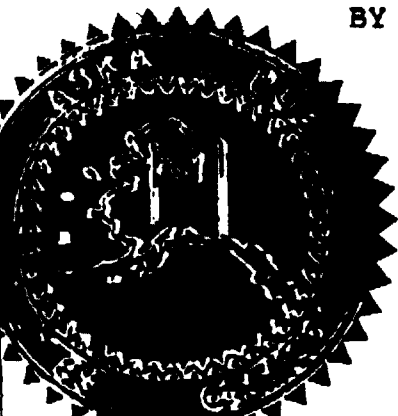
6 5. By 4 p.m., July 15, 1995, Alascom, Inc., and General
7 Communication, Inc., shall file a joint report estimating the
8 amount of advance notice that should be provided by Alascom, Inc.,
9 when meeting its obligation of Ordering Paragraph No. 4 above.
10 If the companies cannot agree to a joint report, separate reports
11 must be filed.

12 6. By 4 p.m., July 1, 1995, Pacific Telecom, Inc., shall
13 inform the Commission of its plans for the final disposition of
14 the two Northern Telecom DMS 200/100 switches obtained from
15 Alascom, Inc.

16 7. After AT&T Corp. has acquired the stock of Alascom,
17 Inc., Pacific Telecom Inc., may cease filing the compliance
18 monitoring reports required by Order U-83-55(15)/U-83-76(16).

19 DATED AND EFFECTIVE at Anchorage, Alaska, this 15th day of June,
20 1995.

21 BY DIRECTION OF THE COMMISSION



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STATE OF ALASKATHE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Don Schröer, Chairman
James E. Carter, Sr.
Alyce A. Hanley
Dwight D. Ornquist
G. Nanette ThompsonIn the Matter of the Limited Investiga-)
tion Into the Practices and Procedures)
of ALASCOM, INC., and Companies of)
PACIFIC TELECOM, INC. in Alaska)
_____)

U-95-26

JOINT REPORTIntroduction:

By Order U-95-26(2), dated June 15, 1995, the Commission directed Alascom, Inc. (Alascom), and General Communication, Inc. (GCI), to file a joint report estimating the amount of advance notice that should be given by Alascom to other carriers regarding significant network changes. Alascom and GCI file this report in response to that requirement.

Report:

Representatives of Alascom and GCI met on July 12, 1995, to discuss the Commission's directive and, more generally, to discuss the various network changes under consideration by Alascom and the effect those changes might have on other carriers. The attendees at the meeting included personnel from the engineering, carrier relations, and regulatory departments of both companies.

For a number of reasons (including the fact that the pending transaction involving the sale of the stock of Alascom has not yet been completed), the plans

U-95-26
Joint Report
July 17, 1995
Page 1GENERAL COMMUNICATION, INC.
2550 DENALI STREET, SUITE 1000
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1 for the changes in Alascom's network are still evolving. Other than a fairly firm
2 determination that switching centers in Juneau and Fairbanks will be eliminated,
3 Alascom was unable to supply any specific information about network changes at
4 this time. The participants at the meeting also agreed that the amount of advance
5 notice that would be needed could vary greatly depending on the specifics of any
6 change by Alascom.

7 Accordingly, the meeting participants discussed various types of changes
8 that might be made in the network and the amount of notice associated with each.
9 In general, it was agreed that changes by Alascom that would prompt
10 rearrangements of facilities by GCI require 3-4 months of advance notice, and that
11 changes that require new facilities would require more notice.

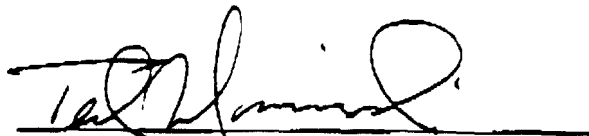
12 In recognition of the evolving nature of Alascom's plans and the inability to
13 specify exact notice requirements, the parties agreed on a process to ensure
14 coordination of changes. Specifically, engineers from both companies will meet
15 periodically, no less than once per month, in order to discuss Alascom's evolving
16 plans and to share information regarding associated network changes.
17 Additionally, Alascom agreed that it should be able to finalize most of its decisions
18 regarding network changes no later than December 1, 1995, and that it would notify
19 GCI of those decisions.

20 Conclusion:

21 Alascom and GCI believe that the initial meeting held on July 12, 1995, has
22 led to a process that will provide GCI with adequate notice of network changes.
23 Any problems that develop with that process will be promptly reported to the
24 Commission.
25

1
2 Respectfully submitted, this 17th day of July, 1995.
3

4 ALASCOM, INC.

5 
6

7 By: T. Moninski
8 Its: Administrator, Carrier Relations
9

10 GENERAL COMMUNICATION, INC.

11 
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13 By: Mark R. Moderow
14 Its: Corporate Counsel
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